

**- U.S. Chamber of Commerce, American Farm Buro Backs Bill -**

*Washington, DC* - On Friday, Congressman John Hall voted to pass the Small Business Tax Relief Act of 2007 (HR 976). Congressman Hall was a co-sponsor of the legislation. The bill, which passed with broad bipartisan support, is a revenue-neutral tax cutting package that would extend critical tax provisions for small business owners and pave the way for the House and Senate to agree on legislation to raise the Federal minimum wage from \$5.15 per hour to \$7.25 per hour.

"As a small business owner myself, I know how hard it is to meet a bottom line," said Rep. Hall who ran a small record label in Dover Plains, NY and is a partner in the band Orleans, which had released music on its own independent label, produced its own shows, and stayed solvent for 35 years. "This bill will provide meaningful tax relief for mom and pop small businesses, which are the life blood of the Hudson Valley's strong local economy."

This legislation is likely to be coupled with an earlier proposal that passed in the House to raise the federal minimum wage. HR 976 was sponsored by Ways and Means Committee Chairman Charlie Rangel, and was passed out of Committee with the bi-partisan support of the ranking member, Rep. Jim McCrery (R-LA.) The two bills are expected to be combined in a conference committee with the Senate.

Hall added, "As a supporter of both small business tax cuts and raising the Federal minimum wage, I'm proud that this bill will make it possible to give a break to small business owners and employees. It's important to protect those at the bottom of the wage scale, but it's equally important to make sure that hard working diner owners, bait and tackle shopkeepers, and other small business owners who make Hudson Valley communities a great place to live."

Hall also supports fixing the Alternative Minimum Tax (AMT) to provide tax relief for middle class families in the Hudson Valley. The Small Business Tax Relief Act of 2007 was passed out of the House Ways and Means Committee with a bi-partisan vote and endorsed by the Chamber of Congress, the American Farm Bureau Federation, the National Association of Manufacturers and National Federation of Independent Businesses.

Specific provisions of H.R. 976 include:

1. Extend and expand the Work Opportunity Tax Credit (WOTC). The WOTC gives employers tax credits for hiring targeted groups, including disabled veterans.
2. Extend and increase the Small Business Expensing Provision, which will allow small businesses to more easily afford large capital expenses, such as store updates, equipment upgrades and technology purchases.
3. Enhance the Tip Credit for employers in the Food and Beverage Industry. Employers will continue to receive the full tax credit for the Social Security and Medicare taxes they must pay

on their employees' tips.

4. Provide a permanent waiver of the AMT limitations that prevent many small businesses from claiming the WOTC and the Tip Credit. Current law limits small businesses ability to claim the tax credits because they cannot be used to offset taxes that would be imposed under the AMT.

5. Create the Family Business Tax Simplification provision, which will allow a married couple that jointly owns an unincorporated business to file as a sole proprietorship without penalty and ensure that both spouses receive credit for paying Social Security and Medicare taxes. This will help many of the family-owned businesses in the district

6. Deny the lowest capital gains and dividend rate to dependent children of wealthy taxpayers. Currently, taxpayers can avoid income taxes by placing assets in their child's name.

7. Provide the IRS with additional time to give taxpayers notice if they have failed to comply with their tax obligations before the IRS is required to suspend the imposition of interest and penalties on underpayments.